## **REMARKS**

Claims 1-5 and 7-11 are pending in this application with claims 9-11 being withdrawn from consideration. By this Amendment, claims 1-5 and 7-11 have been amended. Support for the amendment to claims 2-5, 7, 8, 10 and 11 can be found at, for example, page 5, lines 30-32. Support for the amendment to claims 1 and 9 can be found at, for example, Figs. 1b and 1a, page 5, lines 30-32, and page 6, line 1 to page 8, line 30. No new matter is added. Reconsideration and prompt allowance of the application based on the above amendments and following remarks is respectfully requested.

Applicants appreciate the courtesies shown to Applicants' representative by Examiner Nordmeyer in the April 13, 2010 personal interview. Applicants' separate record of the substance of the interview is incorporated into the following remarks.

Applicants respectfully request rejoinder of non-elected claims 9-11 when independent claim 1 is allowed.

The Office Action rejects claims 1-5, 7 and 8 under 35 U.S.C. §112, second paragraph. As agreed in the April 13 interview, claim 1 has been amended in view of this rejection. Accordingly, Applicants respectfully request withdrawal of the rejection.

The Office Action objects to claim 8 as being improper dependent form for failing to further limit the subject matter of a previous claim (i.e., claim 1). As agreed in the April 13 interview, claim 1 has been amended in view of this objection. Accordingly, Applicants respectfully request withdrawal of the rejection.

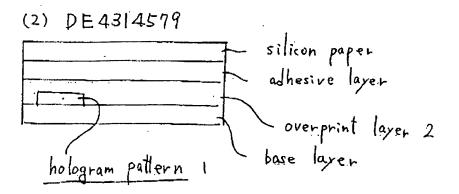
The Office Action rejects claims 1-5, 7 and 8 under 35 U.S.C. §103(a) as being obvious over U.S. Patent No. 5,310,222 to Chatwin et al. (hereinafter "Chatwin") in view of DE 4314579 (hereinafter "DE '479"). The rejection is respectfully traversed.

As agreed in the April 13 interview, Chatwin fails to disclose "the front surface of the volume hologram is exposed to an outside front surface of the base sheet," as recited in claim

1. Specifically, Chatwin discloses a diffractive pattern (3) provided between the coating (2) and the reflecting metal (5) and thus, the front surface of the diffracting pattern (3) is not exposed to the outside of the front surface of the base sheet. Thus, Chatwin fails to disclose "the front surface of the volume hologram is exposed to an outside front surface of the base sheet," as recited in claim 1.

Additionally, DE '479 fails to disclose "the front surface of the volume hologram is exposed to an outside front surface of the base sheet," as recited in claim 1. Specifically, the Examiner asserts that DE '479 discloses that the volume hologram layer (reflective material) is exposed to an outside of the counterfeiting prevention label (Fig. 1, side edge of the reflective material is exposed on the side of the label) for the purpose of forming a security label that has a printable surface. However, DE '479 fails to disclose that the front surface of the volume reflective material is exposed to the outside front surface of the base sheet.

Instead, the reflective material it is located between a base layer and the overprint layer 2, as clearly shown in the below comparative drawing of DE 431479 A1. Thus, , DE '479 fails to disclose "the front surface of the volume hologram is exposed to an outside front surface of the base sheet," as recited in claim 1.



Additionally, the Examiner asserts that it would have been obvious to one having ordinary skill in the art at the time the invention was made to make the hologram layer being

exposed on the top surface of the prevention label, since it has been held that rearranging parts of an invention involves only routine skill in the art. However, as agreed in the April 13 personal interview, Chatwin discloses that the "diffracting image is contained within the structure of the device rather than simply being placed on the surface of the device where it may readily be removed" (col. 2, lines 28-32 and col. 3, lines 13-15). Thus, Chatwin clearly teaches that the diffracting image cannot be rearranged so that the diffracting pattern (3) is exposed to the outside of the front surface of the base sheet since Chatwin teaches that the diffracting image must be contained within the device to prevent removal. Thus, one having ordinary skill in the art would not have rearranged the layers of Chatwin in view of DE '479 in view of this disclosure in Chatwin.

Applicants do not concede that Chatwin or DE '479, alone or in combination, teach or suggest the features recited in dependent claims 2-5, 7 and 8. However, it is unnecessary to separately discuss the features recited in the dependent claims given the existence of clear and distinguishing features in independent claim 1.

Accordingly, Applicants respectfully request withdrawal of the rejection.

In view of the foregoing, it is respectfully submitted that this application is in condition for allowance. Favorable reconsideration and prompt allowance are earnestly solicited.

Should the Examiner believe that anything further would be desirable in order to place this application in even better condition for allowance, the Examiner is invited to contact the undersigned at the telephone number set forth below.

Respectfully submitted,

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Attachments:

Petition for Extension of Time Request for Continued Examination

Date: April 16, 2010

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